



Planning and Preparing for Year-End

2015-2016

Check List for a Successful Year-End

Year-End tasks to be completed prior to June 30, 2016:

- ✓ Update Year-End Work Plan.
- ✓ Keep Reconciliations Current.
- ✓ Review Reverting Documents.
- ✓ Prepare for the CFY022 and CFY023 Processes.
- ✓ Review Outstanding Documents.
- ✓ Review Other Areas.
- ✓ Establish New Year Tables.
- ✓ Plan for Non-CALSTARS Activities.
- ✓ Register for CALSTARS Year-End Training.

Refer to the CALSTARS Procedures Manual (CPM), Volume 7, Chapter I for detailed information.

Year-End Financial Reporting Deadlines

Departments must submit the appropriate 2015-16 year-end reports to the State Controller's Office (SCO) and State Treasurer's Office (STO) according to the following schedule:

August 01, 2016

- General Fund
- Feeder Funds (0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097)
- Economic Uncertainty Funds (0374, and 0375)

August 22, 2016

- All other funds

Reminder: Financial Statements should be submitted on a flow basis (as soon as the department has finished their Financial Statements) per SCO's request.

Update Year-End Work Plan

The year-end work plan must be updated to meet the required year-end due dates:

- Review and add comments/notes from the previous year-end work plan.
- Assign due dates and activities to responsible staff/units.
- Share the year-end work plan with staff (meetings, etc.).
- Send out memos (vendor invoices, billing data, travel expense claims, etc.) to divisions to notify them of cutoff dates. Refer to the CPM, Volume 7, Chapter I, Exhibit I-4 for sample memos.
- Follow-up to ensure activities are completed and cutoff dates are being met. Refer to the CPM, Volume 7, Chapter I, Exhibit I-3, Example of Year-End Work Plan.

Keep All Reconciliations Current

Timely reconciliations are important to the beginning of the year-end process. If the following reconciliations are not current, year-end financial reports cannot be completed.

- SCO Appropriations and Fund Accounts
- For Shared Funds, the Fund Administrator GLs 1140 and 1210 (G01) must agree with SCO Fund Reconciliation Report.
- General Ledger Accounts
- ORF
- Bank
- Capital Assets
- Document File
- Subsidiary

CALSTARS reconciling items must be cleared. If you have SCO reconciling items, submit a transaction request form to SCO before the cutoff date.

Any outstanding SCO transaction request forms should be labeled "2nd request" and resubmitted.

Review Reverting Documents

All required documents that are to be processed by June 30, 2016, must be received by SCO by the close of business (COB) on June 15, 2016.

The following fiscal year appropriations will revert on June 30, 2016:

- 2013-14 Budget Act appropriations.
- 2011-12 Federal Trust Fund and most Capital Outlay appropriations.
- 2014-15 Revenue accounts (Do Not Revert - But SCO does not want to see receivable balances for prior year on year end statements.)
- Re-appropriated items with a reversion date of June 30, 2016

Reverting appropriations can be identified on the SCO Agency Reconciliation Report with reversion dates of June 30, 2016 or earlier.

Appropriations reverting on or before June 30, 2016 cannot have outstanding payable, receivable or encumbrance documents. This also applies to prior year revenue accounts.

Review documents for reverting appropriations:

- Any outstanding documents must be cleared.
- Receivables documents must be deferred.
- Payable and encumbrance documents must be liquidated – Including PRA99999-99, liquidate and close prior, prior year payroll accrual.
- The CFY022 and CFY023 automated processes will generate transactions to defer receivables and liquidate encumbrance documents for reverting appropriations or prior year revenues.

SCO Year-End Reminders

All electronic and paper claim schedules must be received by COB on June 15, 2016, to ensure processing by June 30, 2016. Submit claim schedules on a continuous basis to ensure timely processing.

- Claim schedule face sheets (STD. 218) for reverting appropriations must be clearly marked with **“REVERTING APPROPRIATION”** in the claimant section.
- RUSH claim schedules should only be submitted when requiring immediate payment.

Remittances Advices (RA) and eFITS need to be submitted on a continuous basis to ensure timely processing especially those impacting reverting appropriations.

Determine whether sufficient appropriation and cash authority will be available to cover June payroll and other expenditures that must be paid before June 30, 2016, refer to your April SCO Agency Reconciliation Report. If the balance in the department's appropriation(s) will not be sufficient, you must contact the DOF and notify the SCO by COB on June 15, 2016, as to the action taken and the transaction request required to process these expenditures.

SCO Year-End reminders (continued)

All transaction requests and Architectural Revolving Fund (ARF) form must be received by COB on June 15, 2016 to ensure processing by June 30, 2016.

- ARF forms must be submitted directly to the attention of Division of Accounting & Reporting.
- Reverting Appropriation items should be clearly marked on the document.

Agency clearing accounts for reverting appropriations (FY 2013-2014 and re-appropriated items with the reversion date of June 30, 2016) must have a zero balance prior to June 30, 2016.

- Plan of Financial Adjustment requests must be received by COB on June 15, 2016 to allocate all charges in the clearing accounts.
- All payments for the month of June must be charged directly to the appropriation program or category level.
- Abatements must be credited directly to the appropriation program or category level and NOT to the clearing accounts.

Cash remaining in a reverting Federal Trust Fund appropriation (FY 2011-12) must be returned to the original grant account (1944 Disbursement account) and the funds remitted to the Federal Government. Transaction requests for transferring federal cash and the corresponding claim schedule must be received by COB on June 15 and marked with "REVERTING APPROPRIATION", if applicable.

Watch for Budget Letters and SCO Instructions

Prepare for the CFY022 and CFY023 Processes

Identify any reverting appropriations (includes prior year revenue appropriations) and change the Appropriation Symbol (AS) Table coding as follows:

- Set the AS Reversion Indicator to **1** and the Reversion Date to **June 30, 2016 or earlier**.
- Table maintenance should be completed by the end of March. If AS Tables are not changed prior to the Transaction Run for the CFY022 and CFY023 processes, transactions must be posted manually.

CFY022 Document File Reclassification/Liquidation Process

The CFY022-Document File Reclassification/Liquidation Process generates transactions in reverting appropriations to:

- Reclassify valid reverting A/R Abatements and A/R Reimbursements to GL 1319-A/R Other.
- Automate the adjusting A-4 entry.
- Liquidate reverting encumbrances.

April 6, 2016-1st Reports Only Run

Provides a listing of all documents within the Document File subject to reversion or requiring department action. Departments should liquidate, adjust or correct these documents as appropriate.

- CFY022-1 exception report lists documents requiring agency action.
- CFY022-2 report lists all documents to be reclassified or liquidated.
- Review the reports generated from the 1st reports only run.
- Make corrections before the 2nd reports only run.

Refer to the CPM, Volume 7, Chapter I, Exhibits I-7 through I-9 for examples of CFY022 Reports.

April 13, 2016-2nd Reports Only Run

Enables departments to review the corrections made as a result of the first run. Final adjustments must be made prior to the first of May.

- Review the reports generated from the 2nd reports only run.
- Make corrections before the Transaction Run, when transactions are generated.

May 2, 2016-Transaction Run

- Generates transactions to liquidate encumbrances and reclassify A/R Abatements and A/R Reimbursements.
- Assigns batch type YQ-posts to April activity (FM 10).
- Displays Error Code EF3-FUND NOT IN D22 for documents in the Clearing Account. The department must correct the error by entering the ultimate Fund and Fund Source.

CFY022 Document File Reclassification/Liquidation Process (continued)

Posting Cash Receipts after CFY022

- **Before** June 30—Post TC 104 for Abatements or TC 102 for Reimbursements **and** TC 469 to liquidate GL 1319-A/R Other.
- **After** June 30—Post TC 107 for Refunds to Reverted Appropriations **and** TC 469 to liquidate GL 1319-A/R Other.

Refer to the CPM, Volume 7 Chapter 1, page I-27 for more detailed instructions.

CFY023 Revenue Reversal/Reclassification Process

The CFY023-Revenue Reversal/Reclassification Process generates transactions to reclassify any accounts receivable revenue documents in prior year revenue appropriations to GL 1319-Accounts Receivable-Other.

- Reclassifies A/R Revenue documents in prior year revenue accounts to GL 1319 A/R-Other.
- Automates the adjusting A-9 entry to defer prior year A/R Revenue documents.

May 12, 2016—1st Reports Only Run

Provides a listing of all documents within the Document File subject to reversion or requiring department action. CFY023-1 exception report lists all documents requiring agency action.

- CFY023-2 report lists all documents to be reversed and reclassified.
- Review the reports generated from the 1st report only run.
- Make corrections before the 2nd reports only run.

Refer to the CPM, Volume 7, Chapter I, Exhibits I-11 through I-13 for examples of CFY023 Reports.

June 3, 2016—2nd Reports Only Run

Enables departments to review the corrections made as a result of the first run. Final adjustments must be made prior to the end of June.

- Review the reports generated from the 2nd reports only run.
- Make corrections before the Transaction Run, when transactions are generated.

June 23, 2016—Final Transaction Run

- Generates transactions to reclassify A/R revenues.
- Assigns batch type YP-posts to June activity (FM 12).

Posting Cash Receipts after the CFY023 Process

- **After** June 30 - Post TC 101 to record Revenue with a prior fiscal year **and** TC 469 to liquidate GL 1319-A/R Other.

CFY023 Revenue Reversal/Reclassification Process (continued)

NOTE: Revenue receipts are always posted to current year or prior year revenue accounts. Revenue does not revert. Do not post prior year revenue as Refunds to Reverted Appropriations.

GL 1330 (PY) is not reclassified. Agencies must resolve manually.

Refer to the CPM, Volume 7 Chapter 1, page I-33 for more detailed instructions.

Review Outstanding Documents

All outstanding documents must be compared with CALSTARS document reports to verify accuracy. Any discrepancies and abnormal balances must be researched and corrected.

Receivables-GLs 1311-1500

- Compare open invoice file to the D06 or D16 reports.
- Verify "Due from Other..." documents are recorded in correct GLs 1400 and 1500.
- Review the D11 report for documents with abnormal balances.
- Review GL 1315 – Dishonored Checks – See also A-10 entry in Chapter II.
- If all reasonable collection procedures do not result in payment, departments may request discharge from accountability of uncollected amounts from private vendors. See SAM Section 8776.

Encumbrances-GL 6150

- Compare open original encumbrance documents (P.O., Contracts, Etc.) to the D16 report.
- All encumbrance documents must have a valid Vendor Number.

Prior Year Accruals-GL 3010-3290

- Ensure that all outstanding payable accruals from the prior year are liquidated.
- Review the D16 report and liquidate if necessary.
- Refer to the CPM, Volume 7, Chapter I, Exhibit I-14 for proper transaction codes.

General Cash Remittance in Transit-GL 1115 – Not a valid reporting General Ledger*

- Verify the FM 12 month-end DB1/DB2 report has a zero balance for GL 1115
- May require to reverse TC124 in FM12 and post TC 124 in FM01.

Claims Filed-GL 3020

- Verify that all unpaid claim schedules are accurately reflected in the D05 report.
- Research any outstanding claims filed document with a create date more than 30 days old.

Claims in Process-GL 3021 – Not a valid reporting General Ledger*

- Verify the month-end G01 report has a zero balance for GL 3021.
- If the G01 report lists a balance for Claims in Process, research monthly H04 reports.

State Income Tax Withheld-GL 3130

- Review the D06 for GL 3130 to obtain a listing of all documents with a non-zero balance. The amount is what should be remitted to FTB prior to June 30th.

Review Outstanding Documents (continued)

Office Revolving Fund Advances-GLs 1710, 1712 and 1714

- Verify that all outstanding ORF advances (expense, travel, salary) are recorded accurately and reimbursed timely.
- Review open documents using the D02 and D08 reports.

Subsidiary Codes-GLs 1400, 1500, 1600 and 3110

- Review the D32 Subsidiary Descriptor Tables for correct setup convention and that UCM fund and GL codes are used.
- Documents established containing subsidiaries, must be entered with a unique Current Document Number or Suffix when the subsidiary changes.
- Review the S01 or G02 Subsidiaries on File Report to ensure there are no abnormal balances and no balances remaining in GL 1600 Subsidiary.
- Reconcile subsidiary balances on D09 or D10 Report to the S01 and G02 Subsidiaries on File Report.

Note: GLs 3400, 3500, and 1730 are not displayed on the D09 Report because those GL's are not recorded in the Document File. The D09 Report only displays Document File Subsidiaries.

Review Other Areas

Cash in State Treasury (GL 1140) and Deposits in Surplus Money Investment Fund (GL 1210)

- The G01 Report should be used to reconcile the Cash in State Treasury (GL 1140) and Deposit in Surplus Money Investment Fund (GL 1210).
- For non-shared funds, the GL 1140 and GL 1210 on the SCO Fund Reconciliation Report must agree with CALSTARS G01 Report for GL 1140 and for GL 1210.
- For shared funds, the GL 1210 on the SCO Fund Reconciliation Report must agree to the Fund Administrator's G01 Report, GL 1210 balance.
- For shared funds, during the YEC process, CALSTARS closes GL 1140-Cash in State Treasury into GL 5570-Fund Balance Clearing to facilitate the closing of the nominal accounts. In the new fiscal year, GL 1140 should have a balance of zero; therefore the Fund Administrator will reconcile the current year activity in GL 1140 on the SCO Fund Reconciliation Report with current year activity in the G01 Report, GL 1140 for all users of the fund. In order for the Fund Administrator of shared funds to reconcile GL 1140, the Fund Administrator must obtain a copy of the G01 Report from fund users. The Fund Administrator will reconcile the monthly debits and credits in the SCO Fund Reconciliation to the G01 Reports.
- The Fund Administrator of shared funds possesses the authority to request information from fund users. Fund users include departments that collect revenues and and/or spend from the fund (assessments by statewide projects/programs are not considered fund users.)

Uncleared Collections-GL 3730

- Review Uncleared Collection document balances to determine if outstanding amounts are identifiable.

Unscheduled Reimbursements-GL 8100

- If the department has budgeted scheduled reimbursements (Category 90) review the HB4 and DB2 Reports to ensure cash was not remitted to the SCO as Unscheduled Reimbursement (Category 91).

Advance Collections-GL 3400

- Review Advance Collections to determine if there are amounts that should be recognized as earned Revenue and/or Reimbursements in the current fiscal year.

Prepayments-GLs 1730, 1740, 1750

- Review prepayment accounts for accurate balances. Prepare transactions to adjust the prepayment accounts to reflect the remaining unexpended balance.

Payroll Clearing Account-GL 6201 – Not a Valid Reporting General Ledger*

- Verify the month-end G01 report has a zero balance for GL 6201.

Review Other Areas (continued)

Plan of Financial Adjustment (PFA)-GL 6297 – Not a Valid Reporting General Ledger*

- For each fund, verify that all PFA pending amounts on the SCO reconciliations agree to the GL 6297 balance on the G01 Report.
- Verify that GL 6297 nets to zero in all funds by fiscal year.
- Differences must be identified and included in May PFA transfer request, if possible.
- Analyze GL 6297 to ensure that any pending PFAs for reverting appropriations are submitted to the SCO before June 15, 2016.
- All payments for the month of June 2016 must be charged directly to the appropriation program or category level for reverting appropriations.

***Note:** GL's 1115, 3021, 6201 & 6297 are not valid reporting general ledgers. The balances in these GL's should be zero at YE.

Capital Assets (Fund 0997)

- Property registers should be reconciled quarterly to Fund 0997 on the G01 or G05 reports and Fund Detail should be used to identify the fund that financed each capital asset.

SWCAP and Pro Rata Charges

- Verify that all Pro Rata and SWCAP charges have been correctly charged to the proper Object Detail and Fund as follows:
 - Object Detail 438 – Pro Rata (Special Funds only, not Funds 0890 or 0001)
 - Object Detail 439 – SWCAP (Federal Trust Fund 0890 only.)

Statewide Assessments

- Post SCO Journal Entries for statewide assessments:
 - Nonshared funds – TC 581 for GL 5530 Fund Balance-Unappropriated, or TC 582 for GL 5540 Retained Earnings
 - Shared funds – Fund Administrator only TC 571 for GL 5570 Fund Balance Clearing

Establish New Year Tables

The following questions should be addressed before establishing CALSTARS table structures for the new fiscal year:

- Are the CALSTARS reports meeting management's needs?
- Are there changes to the organizational structure?
- Are the agency object codes meeting the department's needs?
- Do the appropriation symbols agree with the SCO account structure?
- Are there changes to the program structure?
- Does the Cost Allocation Table reflect the Cost Allocation Plan?
- Is the method of Labor Distribution appropriate?

Begin generating and reviewing tables in early March, and review all new tables by June 1 or earlier.

Establish the new-year tables in the following order prior to July 1, 2016:

- Organization Control (OC) Table (On-line Processing)

Establish the OC table first and prior to June 30, 2016.

Establish the OC Table as follows:

View the FFY 2015 OC table.

Enter Function **A**.

Change FFY to **2016**.

Then key over the fields shown here that need to be changed:

RUN LABOR Indicator: N
RUN COST Indicator: N
LAST STEP Run indicator: 00
BUD SEQ INDICATOR: N
BR-1 POSTED Indicator: N
PY SCH10 TRANS: N
RUN YEC Indicator: should be blank
PRIOR YEAR OPEN indicator: Y

Verify that the number of step downs on the FFY 2016 OC table equals the maximum number of step downs on any prior year OC table running cost allocation.

Press **Enter**.

DAY 1:

- Appropriation Symbol (AS) Table (Overnight Processing)-Refer to **Generate** instructions below.
- Index Code (IC) Table (Overnight Processing)-Refer to **Generate** instructions below.
- Program Cost Account (PCA) Table (Overnight Processing)-Refer to **Generate** instructions below.

Establish New Year Tables (continued)

DAY 2:

- Cost Allocation (CA) Table (Overnight Processing)-Refer to **Generate** instructions below.
- DGS Services Table (Overnight Processing)-Refer to **Generate** instructions below.
- DGS Invoice Allocation Table (Overnight Processing)-Refer to **Generate** instructions below.
- Labor Distribution Control (LC) Table (On-Line Processing)

View the FFY 2015 LC Table.

Enter Function **A**.

Change FFY to **2016**.

Press **Enter**.

The LC and EM Tables can be established/generated on the same day before 3 pm.

Employee Master (EM) Table (Overnight Processing)-Refer to **Generate** instructions below. **Note:** The LC and EM Tables can be established/generated on the same day before 3 pm.

Generate 2015 Tables

From the Command I.80—FFY Maintenance Screen, perform the following:

- Enter **G** in the F Action Column to the left of the applicable table.
- Enter **2015** in the FFY field on the same row.
- Press **Enter**.

All generated tables should be reviewed. Changes or deletions should be made immediately.

Table Maintenance Review

Review the following tables to prepare for the New Year:

Appropriation Symbol (AS) Table

- Dates - Should tie to the SCO Agency Reconciliation Report.
- Chapter - The chapter number will automatically change on AS records displaying BA 2015 when the Budget Act is signed and chaptered.
- Continuing Appropriations - Review the FFY, EY, chapter and dates on the generated AS tables for continuing appropriations. Refer to the CPM, Volume 7, Chapter I, Exhibit I-15 Continuing Appropriations.
- Encumbrances are automatically moved to the new FFY during the Year-End Close (YEC) process if AS Reversion Indicator is **2** or **9**.
- SCO "Category" Appropriations - Review AS tables generated for SCO "Category" Appropriations (SCO Categories 11, 12, 13, etc.). Ensure that the FFY, EY, chapter and dates match to SCO accounts.

Project Control (PC) Table Maintenance

- Not controlled by FFY.
- Does not need to be added or generated.
- Establish appropriate Work Phases for capturing New Year project activity.
- Agencies with federal funds activity must establish project FEDFPN/99.

Vendor Edit (VE) Table Maintenance

- Review special purpose vendor numbers (AAAAAAAAAA-10 and 90) used for certification statements on year-end reports and mailing labels for correct names and addresses.

Global Delete Function

From the Command I.80–FFY Maintenance Screen, perform the following:

- Enter Function **X** in the F Action Column to the left of the applicable table.
- Enter the **FFY** to be deleted on the same row.
- Press **Enter**.

Do not delete table records that are needed to liquidate documents. In addition, note that current year, prior year or prior-prior year tables cannot be deleted.

Plan for Non-CALSTARS Activities

- Update staff of changes in policies and procedures.
- Schedule and/or cancel vacations.
- Arrange for overtime.
- Review year-end reporting requirements.
- Review budget needs.
- Order supply of required forms and paper.

Register for CALSTARS Year-End Training

Review the [Year-End Training COMs](#) issued in late February for Session-I Planning and Preparing for Year-End and in March for Session II-Year-End Statement Preparation.

Online registration is available on the CALSTARS' internet site at <http://www.dof.ca.gov/accounting/calstars/training/>. All sections of the online registration, including the participant's e-mail address, must be complete. Incomplete registration may be rejected. All participants in CALSTARS Training must register in advance.

Note: It is recommended that participants register 25 calendar days before the first day of class to avoid late registration.

A CALSTARS Training Registration form will only be accepted for late registration. Participants must submit the form 14 calendar days before the first day of the class. The form is available on the CALSTARS' Internet site at: <http://www.dof.ca.gov/accounting/calstars/forms/>.

Note: Please include your e-mail address and the number of years experience you have preparing year-end reports.

For Assistance

For additional information or assistance on planning and preparing for year-end, e-mail Hotline@dof.ca.gov or call (916) 327-0100.

Field Code Changed

Plan and prepare early for a successful year-end!